

# **ENERGY ASSISTANCE PROGRAM NEW MANAGERS TRAINING**

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**Facilitated by  
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# IHCDA's MISSION

The Indiana Housing and Community Development Authority (IHCDA) creates housing opportunity, generates and preserves assets, and revitalizes neighborhoods by investing financial and technical resources in the development efforts of qualified partners throughout Indiana.

## STRATEGIC PRIORITIES

Ending Homelessness

Comprehensive Community Development

Aging in Place

Individual Self Sufficiency

**High Performance Building**



Indiana Housing & Community Development Authority

# DEPARTMENT OF ENERGY PROGRAMS

## IHCDA EAP STAFF

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# 16 ASSURANCES

- Use of Funds
- Make Payments
- Conduct Outreach Activities
- Coordinate with other low income programs
- Provide assistance to households with highest energy burden and lowest income
- Coordinate service delivery with local nonprofits
- Pay energy vendors
- Equitable treatment of clients
- Administrative expenses (State 1% and Agencies 9%)
- Fiscal Compliance
- Cooperate with Federal Investigations, when necessary
- Public Participation in State Plan Development
- Data Collection
- Coordinate with state welfare agencies, where necessary
- Coordinate up to 5% for Energy Education and Case Management

# HOW DOES THE MONEY FLOW?

President submits a budget



Congress approves a budget



Funds are allocated to the federal agencies (Health and Human Services)



Funds are then allocated to the States



States allocate funds to the eligible entities via contract

# CONTRACTS AND BUDGETS

## The contract includes:

- Budget Requirements
- FFATA Reporting
- Financial Reporting and Transmittals
- File Retention Policy

## Attachment A

- Outlines the award amount
- How costs are claimed

## Blank Budget Form

# EAP BUDGET NARRATIVE

## Administrative Line Items

Eligibility (based on expenditures)

9%

Program Support (total award)

3%

Family Development (total award)

2%

**Cannot exceed 12%**

## Energy Education

Energy Education and Materials/Supplies

Up to 4% of total award

## Regular/Crisis Assistance

Regular Assistance

Crisis Assistance

Must set aside 10% award thru 3/15/13

## Summer Cool Program

Summer Cool Benefits

Will not budget until after winter ends

Summer Cool A/Cs

*\*\*Note that Summer Cool Admin will be eliminated starting FY2013*

# ELIGIBILITY AND PROGRAM SUPPORT

## Eligibility

- Up to 9 percent of total expenditures can be used to support intake and eligibility determination and other associated costs
- These expenses include:
  - Administrative functions like fiscal, executive, and operations
  - Program intake, eligibility determination, transmittal processing
  - Facility expenses like rent, utilities, and supplies directly associated with intake

## Program Support

- Up to 3% of the total budget for non-intake functions
- These expenses include:
  - Information and referral to other programs, dissemination of program information, budget counseling, coordination of crisis benefits and negotiations on behalf of the client with outside entities.



# FAMILY DEVELOPMENT

- Up to 2 percent of the total award
- Assurance 16 activities are designed to reduce home energy needs and thereby the need for future energy assistance.
- Agencies will be encouraged to work with clients in compliance with the Indiana Family Development Process, a case management approach toward self-sufficiency with an energy conservation emphasis.
- Agencies will then take a holistic approach at guiding families toward self-sufficiency.

# ENERGY EDUCATION

- Up to four (4) percent of the total award is used for energy education
- Goal is to “encourage and enable households to reduce their home energy needs and need for EA” (per Assurance16)
- Through the program, agencies should educate the households with the highest energy burden and the lowest income
- Energy Education sessions may be conducted as:
  - One on one sessions with clients during the EAP appointment
  - Group sessions
  - Display materials in waiting areas during hours of frequent appointments

# CLIENT ELIGIBILITY PROCESS

- **Timeline to start the program**
  - September 1- mail applications to at risk households
  - September 17- begin entering those applications in the system
  - October 3- begin scheduling Fall appointments
  - November 5- program begins
- **Where to apply**
  - CAA Offices
  - Local Township or CAA subcontractor
  - Mail Applications

# CURRENT ACTIVITIES BASED ON 16 ASSURANCES

## Coordinate with local nonprofits and CAAs

- Implement service delivery
- Coordinate client intake
- Maintain financial reporting at local level

## Common Outreach Activities:

- In-home intake visits
- Large intake sessions at multi--family and senior living facilities
- Mass mailings
- Coordination with local township trustees

## Outlined Communications Approaches:

- Posters/flyers
- Articles in newspapers and broadcast media announcements
- Inserts in energy vendor billings
- Mass mailings to past recipients

<u>Use of Funds</u>	<u>Dates of Operation</u>
<u>x</u> heating assistance	November 1 to May 17
<u>x</u> cooling assistance	June 3 to August 31
<u>x</u> crisis assistance	November 1 to May 15
<u>x</u> weatherization assistance	October 1 to September 30

# COMPLETING AN EAP APPLICATION

- **Verify Social Security Numbers**
  - Verify SSN for each household member age 1 and over
- **Verify Utilities**
  - Utilities must be in a household resident's name, age 18 and over
  - Service address must match the address on EAP application
  - Confirm if the clients are in "crisis"
- **Verify Dwelling and Housing Status w/ Lease or Landlord Affidavit (and POA paperwork, if applicable)**
  - Confirm housing type (apartment, duplex, house, mobile, etc)
  - Confirm address on lease matches EAP application
  - Verification that the client lives in subsidized or unsubsidized housing
- **Complete income verification**
  - Income is calculated for each resident age 18 and over.
  - Counted for 12 months prior to application date

# CALCULATE EARNED INCOME USING PAYSTUBS

**Twelve (12) months of income directly preceding the application date and must include the month of application.**

To calculate income using a paystub, use the following formula:

**Step 1:** Gross year to date income is divided by the pay month. This total equals the estimated monthly income

**Step 2:** Take the estimated monthly income amount times 12 (months). This total is the annual income amount.

Please note: If the pay month is December, take the gross year to date income only.

# CALCULATE EARNED INCOME USING WAGE INQUIRIES

Use the quarters that correspond to 12 months prior to the application date. Wages are listed by quarter and year. The first number is the quarter, and the second number is the year that wages were reported. See the following example.

**1/2- First Quarter 2012 or January through March**

**2/2-Second Quarter 2012 or April through June**

**3/2-Third Quarter 2012 or July through September**

**4/2-Fourth Quarter 2012 or October through December**

If there is an instance where you need one or two months instead of the entire quarter:

**Step 1:** Take the total amount of all income listed for that quarter.

**Step 2:** Divide the quarter by three (3), or three months

**Step 3:** Multiply that amount times the number of months needed (one or two)

Do not split months in half and do not split quarters into weeks or days.

# CALCULATE UNEARNED INCOME FOR MONTHLY BENEFITS

- Social Security, Pension/Annuities, Disability payments, etc.

When using a monthly amount:

- Compute the annual income based on the current month's income times twelve (12).

If the client receives a COLA increase:

**Step 1:** Take the original amount times the number of months received

**Step 2:** Take the new monthly amount times the number of months received

**Step 3:** Add these two totals together



# ZERO INCOME CLAIMANT

## Requirements

- Household resident, age 18 and over, claims no income for 12 months
- Must complete zero income claimant form
- Must validate how the client survived without income
- Must provide documentation from DWD (or Work One) that confirms no income

## Common Issues with Zero Income Claimant Form

- Accidentally reports income and doesn't know it
- Forgets to sign the form
- Doesn't provide Work One documentation
- Agencies doesn't complete form for each person with no income

# APPLICATION APPROVAL

- **Complete the Benefit Matrix**
  - Assess poverty level
  - Benefit based on points
  - Dwelling type
  - Housing status
  - At-risk
  - Fuel Type
  - Electric benefit
  - Regional differential
- **Issues that will arise**
  - Inoperable heating sources
  - Large credits
  - Bill is more than benefit with crisis
  - No funding available
- **Complete the Notification Letter**

# EAP PAYMENT PROCESS

- Agencies will notify utility vendors of approved applicants at least weekly
- Notification will be sent via transmittal process
- Utility vendors will approve and send back for submission or submission with corrections
- Agencies must make all changes prior to submission to IHCD

# MORATORIUM PROTECTION

- Protection takes place between December 1 and March 15
- Applicant must be approved and have active service on December 1
- Utilities can not disconnect until March 15, special rules may apply
- Utility vendors may refuse benefits, but refusal does not prevent moratorium protection
- Clients are covered if funds have not been allocated to Indiana for the program year

# WHAT IS PROGRAM INTEGRITY?

**Program Integrity-multi-faceted approach to protect LIHEAP funds from fraud, waste, and abuse**

## SSN & Income Verification

- SSNs required for all residents age 1 and over
- Clients must provide documentation or affidavits to certify income
- Zero income claimants must sign income affidavit and provide Work One Inquiry

## Monitoring

- Agencies are required to monitor at least 30% of their files annually
- State will hire monitoring consultants
- State will monitor 3% of all client eligibility files for the year

## Quality Improvement Plan

- Agencies with an error rate of 20% or higher are eligible for additional monitoring, training, and technical assistance

# AGENCY QUALITY REVIEWS

- Agencies must review at least 30 percent of its client files within its service territory
- Agency should set benchmarks for completing the required reviews by the end of the program year
- Strategy for completing 30 percent
  - 7.5%- September through December
  - 15 % - January through March
  - 22.5% - April through June
  - 30% - July through September

# IHCDA ANNUAL MONITORING

- IHCDA has contracted with Engaging Solutions, Inc. to provide onsite monitoring
- Monitors 3% of agency's total files from the previous year
- Review includes the following components:
  - Entrance and Exit Interviews
  - Client Eligibility Review (approved and denied files)
  - Fiscal Review
  - Interview with program management staff
- Notified at least 30 days in advance
- File review list is submitted on a different schedule

# QUALITY IMPROVEMENT PLAN (QIP)

## QIP Eligibility Requirements

- The total number of findings and/or concerns divided by the number of files reviewed equals 20 percent or more

## What's in the QIP

- Requires the agency to inform IHCD in writing what actions the agency will put in place to reduce the number of errors to an acceptable level.
- May include increased training, additional QA procedures increase percentage of files QA'd, assigning staff to specialized duties, hiring extra staff, and many more possible actions.

## QIP Monitoring

- IHCD will visit the agency at least three more times no less than 30 days apart to gauge the progress and effectiveness of the quality improvement plan
- Will consist of 30 files pulled at random and completely reviewed on three separate occasions
- Successful completion of the Quality Improvement Program is achieved when on each QIP visit there are no more than 5.99 errors (findings and concerns  $\{5.99/30 = .1997\}$ ).



# IHCDA ANNUAL MONITORING

- Monitoring Reports are issued 30 days from the exit interview
  - If there were outstanding issues, the report is issued 30 days from the last day of the waiting period
- Monitoring responses are due 30 days from receipt and sent to IHCDA
- IHCDA will review the response and submit a letter within 15 days of receipt
- If the agency contests IHCDA's response, the agency can respond within 15 days of receipt (ongoing)
- For final determination, the agency must request a final review by the Deputy Director of Energy Programs

# UNDERPAYMENTS

- If the review is completed and it is found that the client was due additional funds, then an additional transmittal is submitted to the vendor for the additional funds.
- These additional funds will be paid out of the agency's current allocation. If the agency has spent out all program funds and an additional amount is owed, it must be paid by the Community Action Agency using non-federal funds.
- Agencies should continue to charge underpayments to their current grant allocation, as long as the funds are available. Additional funds will not be allocated, nor will leveraging funds be available to cover underpayments.

# OVERPAYMENTS

- An overpayment occurs when it is found that a client was overpaid. There are funds that need to be returned to the program.
- The money is not due to the client, nor does it get added back into the agency's budget.
- Agencies cannot pay for negative adjustments to client benefits with federal funds (Leveraging, CSBG, or otherwise). Agencies must pay for the overpayments from their corporate unrestricted funds. Overpayments will be applied back to the block grant, not the individual agency's budget.
- Please note that utility vendors have the option to decline the overpayment request because services and/or discounts have been rendered to clients. If utility vendors opt not to pay for overpayments or put charges back on clients' accounts, the agencies will be required to remit the funds back to IHCD from its private, corporate funds. IHCD will send a remittance for payment to the CAA.

# SUMMER COOLING ASSISTANCE PROGRAM

- An optional part of EAP
- Typically runs from June through August
- Occurs if there are enough funds remaining from the winter program to serve all of the winter clients
- Benefits are sent through a flush process
- Walk-in applications are taken if there are funds remaining after the flush process is completed
- Clients may also receive an air conditioner
- Tends to create a lot of refunds

# REFUNDS

A refund occurs because a benefit was paid, but the account closed and left a credit. This money is due back to the client.

If a household moves out of the service area of the current utility company, leaving a credit on the utility bill, which was paid by the Energy Assistance Program, the remaining amount is to be refunded by the utility company to the household. Funds may return to the utility vendors because the client did not provide a forwarding address. The remaining benefit must be returned to IHCD. If the client does not contact IHCD for the credit, the refund will be held for three years at IHCD. After three years, the refund will be sent to Indiana Unclaimed Property.

In case of the death of a recipient, the remaining utility credit becomes a part of the deceased's estate. The client's estate must complete and notarize a refund request form.

# EAP CLAIMS PROCESS

## Administrative Expenses (Eligibility and Program Support)

- Reports from accounting software
- Invoices, purchase orders, and receipts as needed

## Energy Education

- Application Actions Report
- Sign in sheets
- Invoices, purchase orders, and/or receipts for materials/supplies

## Family Development

- Timesheets, paystubs, or payroll records denoting staff time spent on family development

# EAP CLOSEOUT PROCESS

- Closeout forms are located in Appendix G of the Manual
- They are due 60 days after the end of the program year (November 30)

# QUESTIONS??

**For additional questions  
about EAP,  
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